

Caroline Pidgeon MBE AM

Liberal Democrat London Assembly Member

16th September 2020

Lord Greenhalgh
Minister of State for Building Safety and Communities
[SENT BY EMAIL]

Dear Lord Greenhalgh,

RE: Concerns Over the Building Safety Fund

I have previously written to you regarding the cladding and fire safety crisis gripping the country and the serious financial difficulties and stress this is causing many thousands of leaseholders in London and beyond.

I am specifically writing to you today regarding the Building Safety Fund, launched in March of this year. As you will know, the cladding and fire safety scandal is having a particularly devastating impact on Londoners, with London having a significantly larger proportion of high-rise buildings than anywhere else in the UK. Buildings in every single borough of the capital are impacted by this scandal, and the scale of the challenge is huge, but the simple fact is, the Building Safety Fund does not meet this challenge. There are some serious flaws with the Building Safety Fund which I believe need to be urgently addressed in order for it to be fit for purpose and fair. I will address each issue as I see it in this letter.

The Money allocated to the Fund

Put very simply, the Building Safety Fund being capped at £1 billion is problematic. I understand and appreciate that some building owners have agreed to pay for remediation or recovered the costs from developers responsible, however this makes up a very small number of cases.

The fact is the Fund is clearly very seriously oversubscribed, particularly in London where the majority of affected buildings are located. I understand that it was anticipated when the Fund was launched that there would be approximately 300-350 applicants from London, but the latest figure on applications from London is approximately 1,500.

Whilst appreciating there will be some who have applied that will be deemed ineligible for different reasons, these figures still show that the Fund fails at meeting demand.

I urge the Government to expand the money available for the Building Safety Fund as a matter of urgency. It is anticipated that the full cost of remediating buildings across the country could rise as high as £3.5 billion. The Government must be prepared to cover this full amount for buildings that are unable to recover money from developers, prioritising public safety and pursuing those responsible once buildings have been made safe.

Priority Allocation

I am also deeply concerned to learn that money from the Building Safety Fund is being allocated on a first come first served basis. Whilst I understand that this could be helpful in terms of getting remediation works underway swiftly I do have serious concerns over this.

As stressed above, the Fund is simply insufficient to cover the costs of all necessary remediation works on all of affected buildings; but whilst the Fund remains so limited in value I firmly believe those buildings with the most serious and wide-ranging fire safety and external wall defects should be prioritised for remediation given the significant risk these buildings pose to those who live in and visit them.

Of course, part of a solution to this issue would be to ensure the value of the Fund was increased to ensure it covered the full costs of remediation across all affected buildings, as we saw with the two ACM cladding remediation funds.

Exclusion of Social Landlords

I am also deeply concerned that the Fund excludes social landlords and Registered Providers of social housing and Councils from applying unless they can prove they are financially threatened by the prospect of covering remediation costs. This is simply wrong and must be reversed. The exclusion of social landlords in this way could lead to a reduction in the provision of affordable housing, which we desperately need more of in the capital, and it could also see rent increases for tenants and issues with future borrowing for the providers impacted.

Covering Interim Fire Safety Costs

I am also concerned that the Fund does not cover the costs of interim fire safety measures, which in many cases are truly staggering.

Specifically, when it comes to waking watches, I was astonished to see the costs of these, and it is clear from your own Department's data that leaseholders in London are being financially impacted even more severely by these costs than those in the rest of the country. The mean costs of waking watch in London is £20,433 a month per building, which is £499 per dwelling a month. This compares to a still staggering England average of £17,897 per building each month, £331 per dwelling.¹

Expecting affected Londoners to foot a monthly bill of £499 is unacceptable and these costs must be covered.

¹ <https://www.gov.uk/government/publications/building-safety-programme-waking-watch-costs/building-safety-programme-waking-watch-costs>

Delays in the Processing of Applications by MHCLG and Tight Deadlines

I have been contacted by constituents who have been incredibly frustrated at the speed at which their applications have been processed by MHCLG. In fact, one building had to resubmit their application after hearing nothing back from the application they submitted.

I also share the concerns of many that the timescales put on building owners once they have had their application approved are impractical, with a condition of funding being that pre-tender works are complete and remediation works have begun within three months of a successful application. Whilst I understand that the process should have tight deadlines to ensure remediation works are completed swiftly, this has been deemed simply unachievable by some. A more practical deadline of six months should be considered to ensure buildings in need of remediation do not unnecessarily lose out on funding.

State Aid

I am keen to understand what provisions there are for the State Aid provisions once the transition period of our exit from the European Union ends on 31st December 2020. Will this in any way impact on those applying for the Fund or the State Aid rules that are set out in the Fund at present?

To conclude, it is clear that, when compared to the design and scope of both the Social and Private Sector ACM Cladding Remediation Funds, the Building Safety Fund is lacking. The inconsistency in Fund design and scope is not only deeply unfair, but it is also a huge concern to those in both social and private sector housing in London who are affected by this scandal.

I appreciate these matters are complex, but the Government has had three and a half years since the Grenfell Tower fire to deal with this and the slow, piecemeal progress being made to make people safe, without financially ruining them is simply unacceptable.

As an elected representative for all of London I feel I must speak out on this in the strongest possible way, given the devastating impact it is having on so many of my constituents' lives. The Government should make clear that it supports the principle of leaseholders not paying for any of the works associated with such fire safety defects, and this Fund must be extended to cover these works and associated costs across the board.

I hope you will take my comments in the spirit in which they are intended and review and address the design and scope of the Building Safety Fund immediately.

I look forward to your response.

Yours sincerely,



Caroline Pidgeon MBE AM

Liberal Democrat London Assembly Member